

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Genesis Energy Holdings Limited
創 新 能 源 控 股 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 702)



NEW TIMES GROUP HOLDINGS LIMITED
(新時代集團控股有限公司) *

(incorporated in Bermuda with limited liability)

(Stock Code: 166)

JOINT ANNOUNCEMENT

MEMORANDUM OF UNDERSTANDING IN RESPECT OF A PROPOSED JOINT VENTURE, DISCLOSEABLE TRANSACTION OF GENESIS ENERGY AND RESUMPTION OF TRADING

Financial Adviser to Genesis Energy



CLSA Equity Capital Markets Limited

The respective board of Genesis Energy and New Times jointly announce that, on 17 July 2008, Smart Win, a 50/50 joint venture between Genesis Energy and New Times, entered into a legally binding Memorandum of Understanding with Empire Energy, GSLM and Mr. Bendall in respect of the formation of a proposed joint venture to be principally engaged in the oil and natural gas exploration business.

In connection with the Memorandum of Understanding, Empire Energy issued to Smart Win a senior secured note in the principal sum of up to AUD5,000,000 (equivalent to approximately HKD38,000,000) (“**Note**”). The obligations of Empire Energy under the Note are secured by a Pledge and a Guarantee.

The form of the proposed joint venture has yet to be concluded between the parties and is subject to the execution of a formal joint venture agreement in relation thereto by the parties.

As Smart Win’s decision to participate in the proposed joint venture is subject to due diligence, it may or may not be entered into by Smart Win. Accordingly, investors and shareholders of Genesis Energy and New Times are urged to exercise caution when dealing in the respective securities of Genesis Energy and New Times. In addition, directors of

* For identification only

Genesis Energy and New Times wish to emphasize that the undiscovered prospective petroleum resources estimated by Empire Energy has not been verified and therefore is subject to further due diligence. If entered into, Genesis Energy and New Times will comply with the applicable Listing Rules in association with the JV Agreement, and further joint announcement in respect of the proposed joint venture will be made by Genesis Energy and New Times.

At the request of Genesis Energy, trading in the shares of Genesis Energy was suspended with effect from 9:30 a.m. on 18 July 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of Genesis Energy with effect from 9:30 a.m. on 23 July 2008.

At the request of New Times, trading in the shares of New Times was suspended with effect from 9:31 a.m. on 18 July 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of New Times with effect from 9:30 a.m. on 23 July 2008.

INTRODUCTION

On 17 July 2008, Smart Win, a 50/50 joint venture between Genesis Energy and New Times, entered into a legally binding Memorandum of Understanding with Empire Energy, GSLM and Mr. Bendall in respect of formation of a proposed joint venture to be principally engaged in oil and gas exploration business.

The Memorandum of Understanding sets out the terms under which, in consideration for Smart Win granting Empire Energy a loan of up to AUD5,000,000 (equivalent to approximately HKD38,000,000), Empire Energy has agreed to grant to Smart Win an option to enter into a joint venture agreement (the “**JV Agreement**”) with GSLM for the exploration and development of any oil and gas resources within special exploration licence 13/98 (“**SEL 13/98**”) located in Tasmania, Australia (the “**Project**”). GSLM holds SEL 13/98 until September 2009 and will proceed with an application for a further extension of the licence period. If entered into, GSLM will contribute the exploration and development rights in relation to SEL 13/98 as its investment in the Joint Venture.

Empire Energy’s obligation to repay the loan under the Note is secured by (i) a deposit of the Pledge into a collateral account for the benefit of Smart Win, the terms of which is set out in the Pledge and Security Agreement; and (ii) a Guarantee from Mr. Bendall.

The directors of Genesis Energy confirm that, to the best of their knowledge and having made all reasonable enquiries, GSLM, Empire Energy and their respective ultimate beneficial owners are third parties independent of Genesis Energy and its connected persons (as defined under the Listing Rules).

The directors of New Times confirm that, to the best of their knowledge and having made all reasonable enquiries, GSLM, Empire Energy and their respective beneficial owners are third parties independent of New Times and its connected persons (as defined under the Listing Rules).

MEMORANDUM OF UNDERSTANDING

Date : 17 July 2008

Parties : (1) Smart Win
(2) Empire Energy
(3) GSLM
(4) Mr. Bendall

The material terms of the Memorandum of Understanding are as follows:

Due diligence: From the time of the Memorandum of Understanding to 15 Business Days after the completion of drilling of the first test well or 15 October 2008, whichever is later (the “**Option Date**”), Smart Win will conduct due diligence on the Project and will decide whether to enter into the JV Agreement with GSLM.

Smart Win has the right to execute reasonable legal, financial and technical due diligence at its own expense and may appoint an independent technical consultant and other consultants to assess the potential resource, the budget and all aspects related to the Project and GSLM.

Joint venture: The parties will negotiate in good faith and agree to the JV Agreement and other related documents as soon as reasonably practicable and, in any event, shall not be later than 31 July 2008 or such other dates as agreed by the parties, but certainly no later than the Option Date.

Option: Smart Win holds the following irrevocable options to be available on the Option Date. GSLM commits to provide to Smart Win all reports available after the completion of drilling of the first test well, and Smart Win may:

1. enter into the JV Agreement with a funding commitment of AUD40,000,000 (equivalent to approximately HKD304,000,000) and convert the Note of AUD5,000,000 (equivalent to approximately HKD38,000,000), or such sum as has been advanced by Smart Win, into the issued share capital of the joint venture to be established in connection with the JV Agreement. Accordingly, Smart Win will own 50% equity interest of the Joint Venture and GSLM will own a 50% equity interest of the Joint Venture; or
2. enter into the JV Agreement with a further funding commitment of less than AUD40,000,000 (equivalent to approximately HKD304,000,000), in which case Smart Win’s equity interest in the Joint Venture will be calculated as: “amount actually paid/invested (including the Note of AUD5,000,000 (equivalent to approximately HKD38,000,000), or such sum as has been advanced by Smart Win, under the Note) divided by the possible total investment of AUD45,000,000 (equivalent to approximately HKD342,000,000) with the result multiplied by 50%”; or

3. opt out of the JV Agreement and request Mr. Bendall, Empire Energy and GSLM jointly and severally to repay the AUD5,000,000 (equivalent to approximately HKD38,000,000), or such sum as has been advanced by Smart Win, under the terms and conditions of the Note.

If Smart Win reasonably concludes that any regulatory notification, review or approval is required then it may require that such notification, review or approval is a condition precedent to the exercise of the option and the timescale will be delayed accordingly.

Undertaking: GSLM and Empire Energy represent and undertake that they will procure the registration of the 50% interest in the SEL 13/98 (excluding certain prescribed area), to be held by Smart Win with the relevant authorities.

Exclusivity: Until 15 October 2008, neither Empire Energy nor GSLM will seek or enter into alternative joint venture arrangements or other funding arrangements in relation to SEL 13/98 or any farm in or other arrangements where any other party shares in production or revenue derived from production in relation to the Project.

Governing Law: The Memorandum of Understanding is governed by the law in force in Hong Kong, and the parties submit to the jurisdiction of the courts of Hong Kong.

THE NOTE

Date : 17 July 2008

Parties : (1) Smart Win
(2) Empire Energy
(3) Mr. Bendall

Empire Energy issued to Smart Win a senior secured note in the principal sum of up to AUD5,000,000 (equivalent to approximately HKD38,000,000) (or such amount as has been advanced to Smart Win under the Note, the “**Loan Amount**”) to be provided by Smart Win to Empire Energy in connection with the Memorandum of Understanding. The obligations of Empire Energy under the Note are secured by a Pledge and a Guarantee. The Note is an unsubordinated obligation of Empire Energy and is equal in right of payment with other unsubordinated obligation of Empire Energy. To fulfill the funding commitment arose in relation to the entering into of the Memorandum of Understanding and the Note by Smart Win, Genesis Energy and New Times, being the shareholders of Smart Win, shall make their capital contributions in Smart Win in cash in equal shares (i.e. about USD2,500,000 (equivalent to approximately HKD19,500,000) for each of Genesis Energy and New Times).

The Loan Amount will be utilised to pay, among others, drilling related exercises in association with the Tasmanian Basin license area SEL 13/98, including the engagement of a drilling agent to commence test drilling on SEL 13/98. The Loan Amount was determined, as advised by Empire Energy, with reference to the funds required to conduct the relevant drilling exercise from the date of the Memorandum of Understanding upto the Option Date.

The material terms of the Note are as follows:

- Maturity Date:** The maturity date (“**Maturity Date**”) shall mean (i) fifteen business days after the completion of drilling of the first test well, as evidenced by a drilling engineering report and a core analysis report, which shall contain level of details to the satisfaction of Smart Win, or (ii) October 15, 2008, whichever is earlier.
- Repayment by Empire Energy:**
1. prior to the Maturity Date, no principal amount of the Note shall be payable and the Loan Amount shall bear no interest;
 2. Beginning on the Maturity Date until the Loan Amount is paid in full, the outstanding principal balance of the Loan Amount shall bear interest at a rate per annum equal to (i) the rate of six percent (6%) or (ii) 3-month LIBOR plus one percent (1%), whichever is lower; and
 3. the Loan Amount, together with accrued interest thereon, shall become payable in equal quarterly installments within two (2) years from the Maturity Date.
- Use of the Pledge to repay the Note:**
1. if Smart Win elects to opt out of the Joint Venture, the Note may be settled by the transfer of the Pledge to Smart Win and in such event the outstanding balance of the Note, plus any accrued interest, shall be deemed to have been repaid in full (the “**Option**”);
 2. the Option shall be exercisable by Mr Bendall (but not Empire Energy or Smart Win) at any time prior to seven (7) days from the Maturity Date; and
 3. In the event the Option is exercised and that the Market Value (as hereinafter defined) of the Pledge is less than the Loan Amount, in addition to the transfer of the Pledge, Smart Win shall be entitled to receive an amount in cash, equal to the difference between the Market Value of the Pledge and the Loan Amount. Empire Energy shall have the option to cause Mr. Bendall to make such payment on its behalf but shall remain jointly and severally liable with Mr. Bendall for its obligations. “Market Value” of the Pledge is calculated by multiplying the number of common shares outstanding covered by the Pledge times the average closing price of the Empire Energy’s Class A Common Stock is reported on the OTC Bulletin Board (or any other quotation facility on which such Class A Common Stock may then trade) for the twenty (20) trading days immediately prior to the Maturity Date (or if no closing prices are quoted on any day during such period, the most recent period prior to the Maturity Date for which closing prices for Energy Energy’s Class A Common Stock have been quoted for twenty (20) trading days).
- Governing Law:** The Note is governed by the law in force in the State of New York, and the parties submit to the jurisdiction of the courts of New York.

PLEDGE AND GUARANTEE

As mentioned above, the Note will be secured by a Pledge and a Guarantee.

The Note will be secured by a Pledge by Empire Energy of 32,000,000 issued and outstanding shares of Class A Common Stocks, which accounted for approximately 13.35% of the issued and outstanding Class A Common Stock of Empire Energy as at 21 July 2008, held in trust by a trustee (“**Trustee**”) for the benefit of Smart Win. As at the date of this announcement, the parties have not yet identified any suitable candidate for the outstanding position of the Trustee. Pursuant to the terms and conditions of the Note, no funds will be drawn down until the Trustee has been appointed and the Pledge and Security Agreement has been executed by all parties (the “**Conditions**”). Although the parties have not yet appointed a Trustee as at the date of this announcement, Smart Win has advanced approximately AUD2,600,000 (equivalent to approximately HKD19,760,000) under the Note in order to facilitate exploration work of the Project. It has been agreed by the parties that Smart Win’s advancement of the funds will not constitute a waiver of the Conditions and that the remaining approximately AUD2,400,000 (equivalent to approximately HKD18,240,000) of the committed funding under the Note will only be advanced when the Conditions are satisfied in full.

The directors of Genesis Energy and New Times have taken into account that such advancement made to Empire Energy and GSLM is due to the urgent funding needs to secure the drilling equipment and technical team; and have considered that the Project provides an opportunity for Genesis Energy and New Times to capitalize on the investment upside of the oil and gas industry. The directors of Genesis Energy and New Times accordingly are of the view that the advancement is fair and reasonable even though the Pledge and Security Agreement has not been entered into by all parties. The parties are in the process of identifying a suitable candidate to be the Trustee and will make every effort to ensure that the position will be filled up as soon as possible. Genesis Energy and New Times will make further joint announcement in respect of the appointment of the Trustee and the execution of the Pledge and Security Agreement.

On 17 July 2008, Mr. Bendall provided a Guarantee in favour of Smart Win in order to facilitate Empire Energy to obtain the Loan Amount from Smart Win pursuant to the terms and conditions of the Note. In the Guarantee, Mr. Bendall agreed, inter alia, that he shall unconditionally and irrevocably guarantee the punctual payment of all Empire Energy’s obligations under the Note.

REASONS FOR THE MEMORANDUM OF UNDERSTANDING

Genesis Energy is principally engaged in oil and gas exploitation in the U.S. and the PRC, operation of natural gas pipeline network and refilling stations supplying natural gas and liquefied petroleum gas for vehicle use in the PRC.

New Times is principally engaged in the business of property investment and development, provision of financial services and trading of zinc ore concentrate and zinc ingots.

The directors of Genesis Energy and New Times are optimistic about the oil and gas exploration and exploitation business and the future prospect of the industry. The search for sources of energy among nations and enterprises is a global phenomenon. In view of the prospects relating to oil and gas exploration and exploitation business generally, the directors of Genesis Energy and New Times

consider that the Memorandum of Understanding provides a good opportunity for Genesis Energy and New Times to capitalize on the investment upside of the oil and gas industry. Accordingly, the respective board of directors of Genesis Energy and New Times are of the view that the Memorandum of Understanding is in the interests of their respective shareholders.

Empire has recently estimated that the 14 identified structures on SEL 13/98 may hold undiscovered prospective petroleum resources of between 535 million and 2.29 billion barrels, potentially between USD69 billion and USD298 billion at a price of USD130 per barrel.

The form of the proposed joint venture has yet to be concluded between the parties and is subject to the execution of a formal joint venture agreement in relation thereto by the parties.

As Smart Win's decision to participate in the proposed joint venture is subject to due diligence, it may or may not be entered into by Smart Win. Accordingly, all investors and shareholders of Genesis Energy and New Times are urged to exercise caution when dealing in the respective securities of Genesis Energy and New Times. In addition, directors of Genesis Energy and New Times wish to emphasize that the undiscovered prospective petroleum resources estimated by Empire Energy has not been verified and therefore is subject to further due diligence. If entered into, Genesis Energy and New Times will comply with the applicable Listing Rules in association with the JV Agreement, and further joint announcement in respect of the proposed joint venture will be made by Genesis Energy and New Times.

LISTING RULES IMPLICATIONS

With reference to the shareholders' agreement dated 16 June 2008 entered into between Genesis Energy and New Times regarding Smart Win, Genesis Energy and New Times are responsible for the funding commitment of Smart Win with regard to their respective shareholding. The entering into of the Memorandum of Understanding and the Note have created funding commitment for Smart Win and accordingly, Genesis Energy and New Times, being the shareholders of Smart Win, will each contribute about USD2,500,000 (equivalent to approximately HKD19,500,000) into Smart Win to fulfill the abovementioned funding commitment. Genesis Energy and New Times will finance their respective capital commitment as stated above by their respective internal resources. As at the date of this announcement, each of Genesis Energy and New Times has contributed approximately AUD1,300,000 (equivalent to approximately HKD9,880,000) into the share capital of Smart Win.

As the relevant percentage ratios for the capital commitments created for Genesis Energy in associate with the entering into of the Memorandum of Understanding and the Note are more than 5% but less than 25%, the entering into of the Memorandum of Understanding and the Note by Genesis Energy constitutes a disclosable transaction under the Listing Rules for Genesis Energy. A circular containing, among other things, further details of the Memorandum of Understanding and the Note will be despatched to the shareholders of Genesis Energy as soon as practicable. The directors (including the independent non-executive directors) of Genesis Energy are of the view that the capital injection made or to be made by Genesis Energy to Smart Win in relation to the entering into of the Memorandum of Understanding and the Note is fair and reasonable and is in the interests of the shareholders of Genesis Energy as a whole.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules in connection with New Times.

INFORMATION RELATING TO SMART WIN

Cheer Profit and Full Pace entered into a shareholders' agreement on 16 June 2008 regarding Smart Win, and Smart Win was incorporated in British Virgin Islands. Smart Win is owned as to 50% by each of Cheer Profit and Full Pace, which are direct and indirect wholly owned subsidiaries of Genesis Energy and New Times. Smart Win was established to primarily focus on investment and engagement in the projects of exploration and exploitation of oils, gas and other energy items in the international oil and gas markets. Please refer to the announcements of Genesis Energy and New Times both dated 17 June 2008 regarding the formation of Smart Win for detailed information.

Smart Win is treated as a jointly controlled entity of both Genesis Energy and New Times and, under the relevant accounting standard, Smart Win will be accounted for either using proportionate consolidation or the equity method.

INFORMATION RELATING TO EMPIRE ENERGY AND GSLM

Empire Energy, an over-the-counter listed company in the United States, is principally engaged in the exploration for oil and gas in Tasmania, Australia via its wholly owned subsidiary GSLM.

GSLM is a wholly owned subsidiary of Empire Energy. It holds a valid Tasmanian special exploration license SEL 13/98 for an initial period of five years which was subsequently extended for another five years to September 2009 after its expiration in May 2004. GSLM will proceed with the application for further extension of the period of such licence subject to the terms of SEL 13/98 and approvals of the relevant local authorities.

Mr. Bendall is a major shareholder currently holding approximately 14.09% of the issued share capital of Empire Energy as at 21 July 2008 and has agreed to provide a Guarantee in respect of Empire Energy's payment obligations under the Note. The directors of Genesis Energy and New Times have conducted credit assessments on Mr. Bendall and believe that Mr. Bendall has the appropriate facilities to support the Guarantee.

SUSPENSION AND RESUMPTION OF TRADING IN GENESIS ENERGY SHARES AND NEW TIMES SHARES

At the request of Genesis Energy, trading in the shares of Genesis Energy was suspended with effect from 9:30 a.m. on 18 July 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of Genesis Energy with effect from 9:30 a.m. on 23 July 2008.

At the request of New Times, trading in the shares of New Times was suspended with effect from 9:31 a.m. on 18 July 2008 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of New Times with effect from 9:30 a.m. on 23 July 2008.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“associate”	has the meaning ascribed to it under the Listing Rules;
“AUD”	Australian dollars, the lawful currency of Australia;
“Business Day”	a day (other than a Saturday or Sunday or public holiday or a day on which either a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal is or remains hoisted between 9:00 a.m. and 4:00 p.m.) on which banks are open in Hong Kong for general commercial business;
“Cheer Profit”	Cheer Profit Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of New Times;
“connected persons”	has the meaning ascribed to it under the Listing Rules;
“Empire Energy”	Empire Energy International Corporation, a company incorporated in Nevada and an over-the-counter listed company in the U.S.;
“Full Pace”	Full Pace International Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of Genesis Energy;
“Genesis Energy”	Genesis Energy Holdings Limited (stock code: 702), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange;
“Guarantee”	a personal guarantee dated 17 July 2008 given by Mr. Bendall in favour of Smart Win in connection with Empire Energy’s payment obligations under the Note;
“GSLM”	Great South Land Minerals Ltd., a company incorporated in Australia and a wholly owned subsidiary of Empire Energy;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Joint Venture”	The joint venture which Smart Win has the option to enter into in accordance with, among others, the Memorandum of Understanding and the Note;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum of Understanding”	the legally binding memorandum of understanding dated 17 July 2008 entered into between Smart Win, Empire Energy, GSLM and Mr. Bendall;
“Mr. Bendall”	Mr. Malcolm Bendall is a major shareholder and president of Empire Energy;
“New Times”	New Times Group Holdings Limited (stock code: 166), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange;
“Note”	the senior secured note entered into by and among Smart Win, Empire Energy and Mr. Bendall dated 17 July 2008 with a principal amount of up to Five Million Australian Dollars (AUD5,000,000 (equivalent to approximately HKD38,000,000));
“OTC Bulletin Board”	an electronic quotation system in the United States that displays real-time quotes, last-sale prices, and volume information for many over-the-counter (OTC) equity securities that are not listed on the NASDAQ Stock Market or a national securities exchange;
“Pledge”	means the 32,000,000 issued and outstanding shares of Class A Common Stock, par value US\$0.01 per share, of Empire Energy to be held by the Trustee for the benefit of Smart Win in accordance with the Pledge and Security Agreement;
“Pledge and Security Agreement”	Pledge and Security Agreement to be entered into by Empire Energy, Smart Win, Mr Bendall and the trustee in respect of the Pledge;
“PRC”	the People’s Republic of China;
“Smart Win”	Smart Win International Limited, a company incorporated in the British Virgin Islands with limited liability and is owned as to 50% by each of Cheer Profit and Full Pace;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“United States” or “U.S.”	the United States of America;

“USD” United States dollars, the lawful currency of the U.S.; and

“%” Per centum

By order of the Board
Genesis Energy Holdings Limited
Kong Siu Tim
Executive Director

By order of the Board
New Times Group Holdings Limited
Cheng Kam Chiu, Stewart
Executive Director

Hong Kong, 22 July 2008

As at the date of this announcement, the board of directors of Genesis comprises three executive directors namely Ms. Xing Xiao Jing, Mr. Kong Siu Tim and Mr. Ma Ji; and three independent non-executive directors namely Mr. Ni Zhenwei, Mr. Yip Ching Shan and Mr. Wong Kwok Chuen Peter.

As at the date of this announcement, the board of directors of New Times comprises eleven directors, of which four are executive directors, namely Mr. Tse On Kin, Mr. Cheng Kam Chiu, Stewart, Mr. Cheng Chi Him and Mr. Li Guoping; four non-executive directors, namely Mr. Pei Cheng Ming, Michael, Mr. Wong Man Kong, Peter, Mr. Tsang Kwong Fook, Andrew and Mr. Chan Chi Yuen; and three independent non-executive directors, namely Mr. Fung Chi Kin, Mr. Qian Zhi Hui and Mr. Chiu Wai On.

For the purpose of this announcement, unless otherwise indicated, conversion of AUD and USD into HKD is calculated at the approximate exchange rate of AUD1.00 to HKD7.60 and USD1.00 to HKD7.80 respectively. These exchange rates are for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.